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January 14, 2003

FinCEN  
P.O. Box 39  
Vienna, Virginia 22183-1618

Attention: NPRM – Section 352 Unregistered Investment Company Regulations

Dear Sir or Madam:

Arthur F. Bell, Jr. & Associates, L.L.C appreciates the opportunity to comment on the notice of proposed rulemaking, and accompanying release, (the "Proposal Rule") by U.S. Department of Treasury ("Treasury") Financial Crimes Enforcement Network ("FinCEN") pursuant to Section 352 of the USA PATRIOT Act (the "Act") published on September 26, 2002 (67 Fed. Reg. 60617). Arthur F. Bell, Jr. & Associates, L.L.C. is a Certified Public Accounting firm serving the managed futures and hedge fund industries for approximately twenty years. The firm has over two hundred clients involved in derivative and equity trading as Unregistered Investment Companies, Commodity Trading Advisors, Commodity Pool Operators, Futures Commission Merchants, Introducing Brokers, Registered Investment Advisers and similar capacities. The firm is actively involved in numerous industry associations and committees. Arthur F. Bell, Jr. and other members of the firm represent the industry as Director, Officer and committee members of the Managed Funds Association (MFA), including the MFA Government Relations Committee, and as members of the Futures Industry Association (FIA), National Futures Association (NFA) Special Committee, the CFTC Global Markets Advisory Committee, the Alternative Investment Management Association (AIMA) and various other similar industry groups.

As you are aware, the MFA has provided guidance to its members to develop policies, procedures and practical implementation steps for their own anti-money laundering (AML) programs. The MFA guidance is consistent with the Proposed Rule and we encourage FinCEN to consider this guidance as part of its rulemaking process.

We are generally supportive of the Proposed Rule. We particularly have comments about the requirement for independent testing for compliance with the AML program. We have received numerous questions, and had numerous discussions, about who would be the most appropriate person to conduct periodic testing of compliance. One practical consideration is that many investment managers may not have a sufficient number of "personnel knowledgeable about the business' money laundering risks..." Therefore it may be difficult to segregate the responsibilities of Compliance Officer and independent reviewer. We suggest clarifying in the final regulations which persons may be most appropriate to conduct and report on an unregistered investment company's compliance with its AML program. For example, some of the persons who may be appropriate could include:

- Senior management of the unregistered investment company or the investment manager who are independent of the compliance function;
- In-house or third party legal counsel;
- Internal audit staff;
- Independent accounting firms;
- Financial investigation firms, financial consulting firms or other competent professionals;
- Unaffiliated investment fund administrators or similar service providers.

If you would like to discuss this matter further, please contact James E. Stangroom at 410-771-0001.

Very truly yours,

*Arthur F. Bell, Jr. & Associates, L.L.C.*

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